

Finance Department

Fund Support:

General Fund

Description:

The Finance Department is responsible for the systems and procedures that assure the sound and efficient functioning of the City's financial activities. The flow of financial activities begins with a plan (budget). The plan is then implemented and the transactions recorded (accounting); and finally, the results are reported (financial statements).

To make this process function smoothly, the Finance Department assists the Mayor in preparing an operating budget and a six-year capital improvements program (the first year of which is the capital budget) before the start of each new fiscal year. As each year unfolds, these budgets are carefully monitored for the extent to which actual financial transactions vary from the budget.

When the actual financial transactions occur, the Finance Department must see that all monies due the City are collected, and all City liabilities are paid on time. All cash received has to be either immediately disbursed, kept safely on hand, or invested. The Department routinely analyzes the flow of cash in and out of the City accounts for a number of purposes, not the least of which is to know the length of time a given amount of cash can be invested for short-term operating needs or for longer-term capital needs. When funds are needed that exceed the City's cash reserves, then the Department arranges to borrow them privately or sells bonds in the open market.

The Finance Department also keeps an accurate record of all financial transactions, generates interim financial reports, and produces audited financial statements at the end of each fiscal year. More specifically, it prepares the City's payroll; it bills, collects, and accounts for City taxes, water and sewer fees, residential refuse fees and capital facilities assessments; and it maintains a file of the City government's fixed assets.

Additionally, the Finance Department oversees the City's internal financial controls, advises the Mayor and Aldermen regarding financial matters, manages liability risks, analyzes non-routine financial situations, undertakes special financial projects and studies, and responds to requests for financial information from other governmental agencies and private enterprises. The Department also administers the City's self-insurance program.

Mission:

To maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently while providing operational support in delivering all required services to the citizens of Annapolis.

Services:

- Provides budgetary, accounting and financial support to the Mayor and Aldermen, City departments and committees.
- Assists customers with billing and other financial problems.
- Provides the public with budgetary and financial data.
- Acts as staff for the Finance Committee and the Police and Fire Retirement Plan Commission.
- Responds to requests from non-City persons, agencies and organizations for budgetary, accounting and financial data.

Goals & Objectives:

- To continue to maintain the City in a sound financial condition.
 - Maintain a high bond rating.
 - Meet higher standards of financial reporting.
 - Maintain compliance with industry standards.
 - Review all financial ratios to ascertain compliance with industry standards.
- To protect and safeguard the assets of the City.
 - Ensure that any concerns raised during the annual independent audit are addressed in a timely fashion.
 - Perform internal audits and inventories in all City departments.
 - Review actuarial analysis to ascertain compliance with established policies and funding levels.
- To maintain effective expenditure controls.
 - Monthly projections of major expenditure categories.
 - Review of categories of expenditures with modulating annual costs.
 - Review of financing options.
 - Cost of service analysis.

Finance Department

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- To enhance revenue collection options and practices.
 - Monthly projections of revenues.
 - Enhance City's capabilities in seeking grants and private contributions and partnerships.
 - Review fee/fine schedule, develop an associated cost of service schedule and a comparable jurisdiction listing.
- Excellence in Financial Reporting for fiscal years 1988 through 2008.
- Earned the GFOA Distinguished Budget Presentation Award for fiscal years FY 1997 through FY 2009.
- Achieved current Bond ratings of Aa2 with Moody's, AA with Standard and Poor's, and AA+ with Fitch.

Accomplishments:

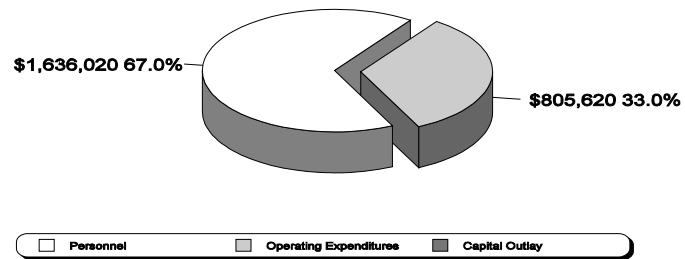
- Earned the Certificate of Achievement for

Performance Indicators:

	<i><u>FY 2008 Actual</u></i>	<i><u>FY 2009 Adopted</u></i>	<i><u>FY 2010 Goal</u></i>
Bond credit rating	AA+	AA+	AAA
Receive GFOA Comprehensive Annual Financial Report award	Yes	Yes	Yes
Receive GFOA Distinguished Budget Presentation award	Yes	Yes	Yes
Number of journal entries posted	2,697	2,200	2,200
Finance committee meetings / minutes prepared	17	12	12
Number of payroll checks issued	18,442	17,300	17,300
Number of accounts payable invoices paid	17,547	17,300	17,500

<i>Budget Summary</i>	<i>FY 2008 Actual</i>	<i>FY 2009 Adopted</i>	<i>FY 2010 Adopted</i>	<i>Percent Change</i>
Personnel	\$1,438,660	\$1,542,950	\$1,636,020	6.03%
Other Operating Expenditures	816,110	835,550	805,620	-3.58%
Total Expenditures	\$2,254,770	\$2,378,500	\$2,441,640	2.65%

Finance Department
Budget By Expenditure Type



Because the Finance Department consists of only one major division, a comparison of divisional budgets is not applicable.

Finance Department Staffing Summary

	<i>FY 2008 Actual</i>	<i>FY 2009 Adopted</i>	<i>FY 2010 Adopted</i>
	<i>Permanent</i>	<i>Permanent</i>	<i>Permanent</i>
Personnel	19	18	19
Department Total	19	18	19

Staffing Summary By Position - FY 2010 Permanent Positions

Total
FTE

Accounting and Budgeting:

Finance Director	1
Assistant Director for Accounting	1
Assistant Director for Budget	1
Senior Accountant	2
Accountant	1
Administrative Office Associate	1
Accounting Associate III	5
Accounting Associate II	4
Accounting Associate I	3